

**MINUTES OF THE
BOARD OF BUSINESS AND ECONOMIC DEVELOPMENT
November 21, 2003 Meeting**

Members Present:	David Simmons, Dell Loy Hansen, Ed Ekstrom, Debra Tanzi, Bill Boyle, Barbara Zimonja, Ted Smith, Richard Nelson, Karen Alvey Kenneth Woolley and Cliff White
Members Absent:	Joel Bradford, Jerry Oldroyd, Mark Howell, and Shelli Gardner
Visitors:	Greg Fitch, UCAT; Steve Oberbeck, SL Tribune; Brice Wallace, Deseret Morning News; Neal Wilson, Zion's Bank
Staff:	David Harmer, Jeff Gochnour, Rod Linton, Ron Richins, Marian Hein, Cathy Rawstorne, Dick Bradford, Tracie Cayford, Tamee Roberts, Lisa Howe, Stan Nance, Todd Hauber, Mark Renda, Dave Douglass, Tina Lewis, Inge Krogue, Leigh von der Esch, Emily Sang

Welcome and Approval of Minutes

Chairman Simmons welcomed everyone to the meeting and called for a motion on the minutes.

MOTION: Ken Woolley moved and Barbara Zimonja seconded a motion to approve the September 19, 2003 minutes as submitted. Motion carried.

Utah Colleges of Applied Technology Report

Greg Fitch, President of the Utah College of Applied Technology (UCAT), presented UCAT's Annual Report to the board members. He stated that UCAT is Utah's 10th public institution of higher education with a head count of 72,834 students. UCAT currently offers three degrees: CAD, IT and Medical Assistant. UCAT is a proxy high school and is authorized by law to create and develop an alternative diploma available to high school students. UCAT is also an adult training facility and as such, helps to create a workforce as well as supports that workforce. Mr. Fitch went into some detail about how UCAT also provides Custom Fit Training. Even with recent budget cuts, UCAT's Custom Fit program was able to serve 18,500 employees in 926 Utah companies.

Incentives Committee

Barbara Zimonja presented the following items for approval on behalf of the Incentives Committee:

Project Tradition is requesting a \$1 million Rural Incentive to create 300 new full-time employee positions. It is a distribution company seeking to expand to adequately service the western US. The company distributes approximately 60,000 items from approximately 1,700 vendors to approximately 7,000 customers throughout the United States (primarily east of the Rockies) and to 50+ countries. The majority of their customers are independent stores and they do a significant volume with regional and national chains. Utah is competing with Nevada and Arizona for this expansion.

MOTION: Barbara Zimonja moved to approve for Project Tradition, \$2,500 per new employee position for 300 new full-time employee positions with a salary meeting or exceeding 125% of the county median paid out on a post performance basis over five years. In addition to the incentive per employee, a \$250,000 disbursement shall be granted upon completion of the facility. The total maximum incentive award is \$1,000,000. The company must commit to keep its operations in Utah for five years. Karen Alvey seconded the motion and all favored it passing.

Project William is requesting a \$90,000 Rural Incentive to expand its manufacturing operations in a growing market segment to better serve markets west of the Rocky Mountains. Utah is competing with Arizona for this expansion.

MOTION: Barbara Zimonja moved to approve for Project William, \$2,000 per new employee position, for a maximum incentive of \$90,000 on a post performance basis for 45 new full-time employee positions over five years with a salary meeting or exceeding 100% of the county median wage. The company must commit to keep its operations in Utah for five years. Ted Smith seconded the motion and all favored it passing.

Chairman Simmons led a discussion regarding the disbursement of confidential information of clients applying for incentives. It was agreed that, without disclosing confidential information, more detailed information would be electronically distributed to the board members to help them make a more informed decision. The board members were encouraged to contact Mark Renda with any questions they may have on the specific projects.

Subcommittee Reports

Chairman Simmons distributed a list of proposed committee assignments. The new committees include three standing committees and two seasonal committees. The Business Development Committee is an expansion of the rural committee and will now encompass the various business development programs in DBED. Chairman Simmons asked that this committee do a good overall review of each program with a more intense review on a periodic basis. The Best Practices Committee will take a look at what we should be doing better and what other states are doing in the area of economic development. The Incentives Committee will have the responsibility of all incentive programs in the division. The seasonal committees are the Centers of Excellence and the Legislative Relations Committees. These two committees require a great deal of time for a couple of months of the year. David Harmer noted that the DBED Board is also responsible to form a selection committee under HB 240 to select members for the Utah Capital Investment Corporation. Chairman Simmons stated that he would like to work with all of the committee chairs in December to develop a mission statement and priorities to be addressed by each committee during 2004.

Utah Technology Industry Council (UTIC) Update

Rod Linton distributed a copy of a power point presentation prepared by Paul Clayson, Chair of UTIC. He also distributed and reviewed a list of the legislative initiatives being proposed and supported by UTIC.

Division Report

Jeff Gochmour gave the following update on DBED activities:

- A list of proposed trade mission cities and dates were given to Governor Walker and we are waiting to get her response on which ones she would like to participate in.
- International Development recently hosted the Ambassador from Canada. Over 25 Utah businesses participated in the *Doing Business in Canada* luncheon. Between trade delegations and consul visits, ten countries visited Utah this past month.
- The International staff held four *Doing Business* series during the past month with 250 people attending the *Doing Business in Hong Kong*.
- Between July and September the National staff had a total five site visits as compared to seven in October and nine scheduled so far for December, showing a significant increase in activity.
- National is doing a joint advertising metro traffic campaign in California with Travel & Tourism. A business blurb will be tied in with Travel's tourism 10-second spots which start running in December.
- Our ad agency announced they are closing its office at the end of this year so we are currently in the process of sending out Requests for Proposals to identify a new agency. We hope to have someone in place by the first of January.
- The new Utah Small Business Resource Guide, a joint publication by the SBA, Utah Business Magazine, DBED and SBDC has been released.
- Business Development held a regional economic development training meeting with the Bear River Association of Government (AOG) last week. They are planning to visit all AOG's over the next 6 to 8 months. A training session with the Utah Association of Counties in St. George was also held this past month.
- Smart Site Update – There are currently 43 business enterprises in 20 counties totaling 730 jobs toward our goal of 1,000 jobs by the end 2004.
- DBED has agreed to help put together a group to host the National Association of Seed and Venture Funds Conference in Salt Lake City on October 3-5, 2004. We are anticipating that the attendance will be between 350 to 400 people.
- One of our goals with the [tech@breakfast](#) meetings is to educate the public about the resources available in state government. All of the programs in DBED made a presentation in the October meeting in Salt Lake and will be following the same agenda in November in the Provo meeting.
- Over 50 people from all over the state attended our Private Activity Bond (PAB) Manufacturing Conference. It was very well done and there has been an interest for us to take that conference to other parts of the state as well.
- The Film Commission is working to identify some incentives that will make Utah more competitive against other states and countries in the film industry. Leigh von der Esch received word yesterday that Rep. Allen has agreed to open a box car for a piece of legislation regarding an incentive with the film industry.
- The early snows in Utah have brought numerous calls for filming different things in Utah and currently, Acura and Dodge are filming advertisements in Utah.
- The Disney Family movie channel is currently filming a movie of the week here called *On the Map*.
- The Film Commission recently completed a trade mission to New York and made a great contact with Lifetime Television.
- The Film Commission gets 66+ 30-second spots during the Sundance Film Festival. Due to a limited budget, the Film Commission created a contest and asked students, colleges and production companies to submit 30-second spots

highlighting the Utah Film Commission. The winners of the contest will receive \$1,500 at the December Film Industry luncheon.

- Ryan Little, producer of *Saints and Soldiers*, which was shot entirely in Utah, won a \$50,000 prize from the Heartland Film Festival Award as the Best Picture.

December 19, 2003 Agenda Items

- Viewing of the Film Commission Commercials
- Committee reports
- Status of potential legislation

Other Business

With there being no further business, the meeting adjourned at 12:00 p.m.